

**MINUTES OF THE
ECONOMIC DEVELOPMENT AND HUMAN RESOURCES
JOINT APPROPRIATIONS SUBCOMMITTEE**

Wednesday, June 26, 2002 – 9:00 a.m. – Room 225 State Capitol

Members Present:

Sen. Carlene Walker
Sen. Gene Davis
Rep. Jackie Biskupski
Rep. Kory Holdaway
Rep. David Ure
Rep. Bradley A. Winn

Members Absent:

President Al Mansell
Sen. Dave Gladwell, Co-Chair
Rep. Sheryl L. Allen, Co-Chair
Rep. Carol Spackman Moss

Staff Present:

Dr. Andrea Wilko, Fiscal Analyst
Ms. Glenda S. Whitney, Legislative Secretary

Note: A list of others present and a copy of materials can be found at <http://www.image.le.state.ut.us/imaging/history.asp> or by contacting the committee secretary, Glenda Whitney, at 538-1032.

1. Call to Order and Committee Business

Chair Walker called the meeting to order at 9:32 a.m. She excused Sen. Gladwell and Rep. Allen from attending the meeting. She said the purpose for this meeting and the Fifth Special Session is to determine how to balance the budget for the Fiscal Year 2003.

2. FY 2003 Budget Discussion

Dr. Wilko distributed three handouts for the subcommittee to review: 1) Options for Balancing the Budget Including Cuts in Public Education (Blue handout), 2) Incremental Options for Balancing the Budget Holding Public Education Harmless (Yellow handout), and 3) Majority Party Joint Leadership Balanced Budget - FY 2003 (White handout). She presented an overview on the three options and explained that the first summary is a 5.5 percent across the board cut to the agencies. The second option is an 11 percent across the board cut to Department of Community Economic Development and Human Resource Management. The third option is a Republican Leadership scenario which is the 5.5 percent scenario with one added enhancement. Dr. Wilko reviewed each handout and answered questions from subcommittee members.

Sen. Davis requested a copy of what was originally allocated for the different agencies for FY-2003 so committee members could refer to and compare. Dr. Wilko indicated that she would provide the subcommittee with that information.

Rep. Winn complimented the Legislative Fiscal Analyst's Office and the Governor's Office of Planning and Budget for working together in developing this process in balancing the budget.

Chair Walker took department and public comment regarding the proposed options to the budget. The following responded to the proposals:

Mr. Dave Harmer - Administration and DCED Overall
Mr. Wilson Martin - State History

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Ms. Terrie Buhler - Fine Arts
Mr. Dean Reeder - Tourism Marketing Performance Fund
Mr. Dean Reeder - Travel
Ms. Michelle Lea and Ms. Kimberley Brown Schmeling - Community Development
Ms. Amy Owen - State Library
Ms. Donna Dahl - State Fair
Ms. Karen Okabe - Human Resources
Mr. Todd Hauber and Stanley Nance - Business and Economic Development
Ms. Heather Tritten - Utah Issues
Mr. Craig Peterson and Dave Sorensen - MEP
Ms. Fraser Nelson - Disability Law Center
Ms. Geneva Powell - Olene Walker Housing Trust Fund

After public comment, Chair Walker noted that no motions will be taken but asked the subcommittee to speak as individuals as to the direction they would take.

Chair Walker asked if it was the subcommittee's recommendation to hold education harmless.

Sen. Davis suggested looking at all the alternatives before making that decision.

Rep. Winn suggested focusing more on the blue sheet and the white sheet which are similar except for the one million-dollar issue. He suggested looking at the bumping up the Industrial Assistance Funds by reducing Kuhni by \$200,000, Ogden High Tech by \$200,000 and the Biotech appropriation by \$200,000 or even \$300,000 for each.

Rep. Holdaway referred to lines 158-159 and from the white handout and suggested increasing the \$300,000 figure to \$400,000 or even \$500,000, and then reducing the MEP or the Olene Walker Housing Fund.

Sen. Davis referred to the Kuhni, Ogden High Tech, Biotech, and questioned will they expend all of that money by FY-2003 or are we putting money out there that maybe FY-2005 to be spent. Chair Walker asked staff to review this issue and report back to the subcommittee.

Chair Walker indicated that she would voice the subcommittee's recommendations to management.

3. Adjournment

MOTION: Rep. Holdaway moved to adjourn the meeting. The motion passed unanimously, with Rep. Ure and Rep. Biskupski absent for the vote. Chair Walker adjourned the meeting at 12:22 p.m.